84TH CONGRESS
1ST SESSION

S. 941

IN THE SENATE OF THE UNITED STATES

FEBRUARY 4, 1955

Mr. ELLENDER (by request) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To amend section 13 of the Federal Farm Loan Act, as amended, to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 13 of the Federal Farm Loan Act, as amended,
4 is amended by adding at the end thereof the following new
5 paragraph:

6 "Twentieth. Without regard to any limitations or restric-
7 tions of this Act, to purchase all assets, except cash, accounts
8 receivable, and reserved mineral interests, held by the
9 Federal Farm Mortgage Corporation as a result of loans made
10 on or before July 1, 1947, in the farm credit district in which

1 said bank is situated and to assume the liabilities of said
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4 notes and mortgages, purchase money mortgages, and real
5 estate sales contracts shall be equal to the total of the unpaid
6 balances on such items and accrued interest thereon at the
7 date as of which purchase is made, less the total of the
8 liabilities of the Corporation being assumed by the bank as
9 herein provided. The purchase price of real estate, sheriffs'
10 certificates, loans called for foreclosure, loans in suspense,
11 judgments, and any other assets eligible for purchase under
12 this paragraph but not specifically identified herein shall be
13 equal to the fair market value of the assets as determined by
14 agreement. The total consideration for the purchase shall
15 be payable over a period of not more than ten years from the
16 date as of which purchase is made, and upon such terms as
17 shall be agreed upon through negotiation with the Board of
18 Directors of the Corporation."

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S. 941

A BILL

Calendar No. 40

84TH CONGRESS, 1st Session | SENATE | REPORT No. 37

BULK PURCHASE OF FEDERAL FARM MORTGAGE CORPORATION ASSETS BY FEDERAL LAND BANKS

MARCH 2, 1955.—Ordered to be printed

Mr. ELLENDER, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany S. 941]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 941) to amend section 13 of the Federal Farm Loan Act, as amended, to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation, having considered the same, report thereon with a recommendation that it do pass without amendment.

This bill would authorize the Federal land banks to purchase the assets (except cash, accounts receivable, and reserved mineral interests) of the Federal Farm Mortgage Corporation, which has not made any new loans since July 1, 1947, and is now in process of liquidation. The cost of servicing the Corporation's loans is approaching the point where it will exceed the interest received, and it is deemed to be in the Government's interest to liquidate them in this manner. The letter from the Governor of the Farm Credit Administration requesting this legislation is attached.

FARM CREDIT ADMINISTRATION,
Washington, D. C., January 25, 1955.

The honorable, the PRESIDENT OF THE SENATE,
United States Senate.

DEAR MR. PRESIDENT: There is transmitted herewith a proposed bill to amend section 13 of the Federal Farm Loan Act, as amended, to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation. The objective of this bill is to accelerate the liquidation of the assets of the Federal Farm Mortgage Corporation through a bulk sale and transfer of its loans and related assets to the Federal land banks.

The Federal Farm Mortgage Corporation is a wholly owned Government corporation established by the Congress in 1934 to aid in the refinancing of farm debts by providing funds for the land bank commissioner loans which were made on its behalf through the Federal land bank system and by assisting in the financing of the Federal land banks. The Corporation has been in process of liquidating

its assets since 1947 when the authority to make commissioner loans, except to refinance existing loans, expired. All bonds issued by the Corporation have matured and been paid or, if not yet presented for payment, provision has been made for their payment; its capital provided by the United States has been reduced to the nominal amount of $10,000; and, as directed by various appropriation acts, all cash funds in excess of the estimated operating requirements for the fiscal year are declared as dividends and paid into the general fund of the Treasury. Although no loans, except to refinance loans previously made, have been made on behalf of the Corporation since July 1, 1947, outstanding loans and related assets, totaling approximately $15 million, have some maturities extending into the 1970's. Instead of having the Corporation continue to hold such loans until they are paid according to their terms, the proposed bill would provide for their present disposal by authorizing each Federal land bank to contract with the Corporation for a bulk purchase of all remaining assets of the Corporation situated in the farm credit district served by the bank, except cash, accounts receivable, and reserved mineral interests (reserved mineral interests are now being sold to the owners of the surface pursuant to Public Law 760, 81st Cong., (64 Stat. 769), and any not sold prior to September 6, 1957, will thereafter be transferred to the Department of the Interior).

The Federal Farm Mortgage Corporation has no separate personnel of its own and its outstanding loans are being serviced by the Federal land banks and the national farm loan associations under yearly contracts with the banks which provide compensation for servicing the loans on a per-unit basis. In recent years the servicing costs per unit have increased while, as the loans are paid down, the interest collected on them steadily decreases. At the present time the income from loans is insufficient to meet servicing costs in two of the farm-credit districts, and within the next few years this will be so in most of the other districts. It is deemed in the interest of good administration, therefore, to provide for the sale of such loans and related assets at the present time. A bulk sale to the Federal land banks, rather than to any other purchasers, is being proposed because the land banks have always serviced the loans for the Corporation and a majority of the loans are on second mortgage to persons who also have a first mortgage loan from a land bank. If the land banks acquire such loans and related assets of the Coproration, it would not disturb the borrowers in any way since the loans would continue to be serviced by the same local associations and under the same policies as in the past.

The Federal Farm Mortgage Corporation now has authority to sell its assets, except reserved mineral interests, to the Federal land banks. Under existing law, though, a land bank may purchase mortgage loans or contracts from the Corporation only if, among other things, the unpaid balance thereof, together with any indebtedness to the land bank on the same property, does not exceed 65 percent of the appraised normal value of the security, and only if the borrower is or becomes a member of the local national farm loan association and acquires stock in the association equal to 5 percent of the unpaid balance of the indebtedness. In view of the limitations on the existing authority of the land banks to purchase loans from the Corporation, it will be necessary to grant them additional authority as now proposed if they are to purchase all remaining loans and related assets of the Corporation.

As provided in the proposed bill, the purchase price of notes and mortgages (mortgage loans), purchase money mortgages, and real estate sales contracts would be the total of their unpaid balances, with accrued interest, at the date as of which the purchase is made. The purchase price of real estate, sheriffs certificates, loans called for foreclosure, loans in suspense, judgments, and any other assets being purchased, would be their fair market value as determined by agreement. It is contemplated that the fair market value of these latter assets, which are carried on the books of the Corporation at less than $30,000 out of the approximately $15 million of assets subject to purchase, would be based on values established by land-bank appraisers or on foreseeable recoveries. Each bank would assume the liabilities of the Corporation for future payment funds of borrowers and trust accounts applicable to the assets it purchased and the amount of such assumed liabilities would be deducted from the purchase price. The total consideration for the purchase, arrived at as indicated, would then be payable over a period of not more than 10 years upon such terms as shall be agreed upon through negotiation by each bank with the Corporation. In negotiating the terms of payment, it is deemed necessary to recognize that the Corporation would be relieved of the costs of servicing the assets, possible losses in their collection, and an eventual operating deficit, when the servicing costs will exceed the income from the assets, and that the land banks would be assuming the position of the

Corporation in these respects Accordingly, it is intended that the purchase price shall be without interest and that the amounts and dates of payments within the 10-year period will be fixed sith due regard for such factors as the income from and maturities of the assets, the costs of servicing them, and possible losses thereon, with appropriate adjustments for differences in such factors between districts. The Federal land banks have indicated their willingness to purchase the assets on the basis outlined.

If the proposed bill is enacted and the Federal land banks purchase the loans and related assets of the Corporation as authorized therein, the only further activity anticipated for the Corporation is that it will continue to dispose of its reserved mineral interests pursuant to Public Law 760 (81st Cong.); that it will hold the notes received from the land banks for the purchase price of the loans and related assets, all of which will be payable within not more than 10 years; and that all payments received will become a part of the cash assets available for payment as dividends into the general fund of the Treasury. Within 10 years, therefore, the assets of the Corporation would be completely liquidated. Thereafter it is intended that the Corporation shall be continued on a standby basis, with only its present nominal capital, so that its financial authority, particularly its authority to issue Government guaranteed bonds, may be available to assist temporarily in financing the Federal land bank system, if that should again be necessary, and to provide a ready means for financing further loans of the land bank commissioner type, if the Congress should again direct the making of such loans.

The Federal Farm Credit Board has approved the submission of this proposed legislation. The Farm Credit Administration recommends early consideration and enactment of the proposed bill.

The Bureau of the Budget advises that there is no objection to the presentation of this proposal for the consideration of the Congress.

Sincerely yours,

R. B. Tootell, *Governor.*

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX, of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

Federal Farm Loan Act, as Amended

Sec. 13. Every Federal land bank shall have power, subject to the limitations and requirements of this subchapter—

* * * * * * *

Twentieth. Without regard to any limitations or restrictions of this Act, to purchase all assets, except cash, accounts receivable, and reserved mineral interests, held by the Federal Farm Mortgage Corporation in the farm credit district in which said bank is situated and to assume the liabilities of said Corporation for future payment funds of borrowers and trust accounts applicable to said assets. The purchase price of notes and mortgages, purchase money mortgages, and real estate sales contracts shall be equal to the total of the unpaid balances on such items and accrued interest thereon at the date of purchase, less the total of the liabilities of the Corporation being assumed by the bank as herein provided. The purchase price of real estate, sheriff's certificates, loans called for foreclosure, loans in suspense, judgments, and any other assets eligible for purchase under this paragraph but not specifically identified herein shall be equal to the fair market value of the assets as determined by agreement. The total consideration for the purchase shall be payable over a period of not more than ten years from the date of purchase, and upon such terms as shall be agreed upon through negotiation with the board of directors of the Corporation.

○

Calendar No. 40

84TH CONGRESS
1ST SESSION

S. 941

[Report No. 37]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 4, 1955

Mr. ELLENDER (by request) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

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Reported by Mr. ELLENDER, without amendment

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Reported without amendment

Calendar No. [illegible]

[illegible]

S. 941

(Report No. [illegible])

A BILL

[illegible]

By Mr. [illegible]

[illegible]

[illegible]

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued March 9, 1955
For actions of March 8, 1955
84th-1st, No. 42

CONTENTS

HIGHLIGHTS: House committee ordered reported 90% price supports bill, with amendments to establish two-price wheat plan, provide 80-90% dairy price supports, extend brucellosis and school-lunch program. House committee reported CCC fungible goods claims bill. Sen. Ellender introduced bills to continue livestock loan program and to dispose of LU lands. Senate committee repored cotton allotment increase bill.

HOUSE

1. PRICE SUPPORTS. The Agriculture Committee ordered reported, by a vote 23 to 12, H. R. 12, to reestablish 90% price supports for basic commodities. The "Daily Digest" states that amendments were adopted which would make a part of the reported bill the provisions of H. R. 2598, as amended, to establish a two-price plan for wheat; provide for 80-90% price supports on dairy products, extend the brucellosis program, and extend the school-lunch program with appropriations therefor of $75 million instead of $50 million (p. D176).

2. CCC CLAIMS. The Agriculture Committee reported without amendment H. R. 1831, to amend the CCC Charter Act in order to protect innocent purchasers of fungible goods converted by warehousemen from CCC claims (H. Rept. 154)(p. 2141).

3. FORESTRY. The Interior and Insular Affairs Committee reported without amendment H. R. 4046, a bill to abolish the Old Kasaan National Monument, Alaska, and make the lands thereof a part of the Tongass National Forest (H. Rept. 155)(p. 2141).

4. ALASKA WATER RESOURCES. The Interior and Insular Affairs Committee passed over, without prejudice, H. R. 3990, to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska (p. D177).

5. PERSONNEL. The Post Office and Civil Service Committee appointed a subcommittee (Rep. Dowdy, chrmn.) on H. R. 3948, to clarify the Federal Employees Uniform Allowance Act relative to enactment date (p. D177).

6. CONGRESSIONAL RECORD AND REPORTS. Rep. Patman urged improvement in the typography of committee reports and that the Congressional Record be printed in a more readable form, stated that "A suggestion that Congress should furnish every person receiving the Congressional Record with a reader's magnifying glass in order to protect his eyes would not be unreasonable," and inserted correspondence and statements on this subject (pp. 2127-8).

7. FORESTRY. Received an Ariz. Legislature memorial relative to timberland in the Coconino and Sitgreaves National Forests in Ariz. (p. 2144).

8. LANDS; MISSOURI BASIN. Received a S. Dak. Legislature memorial relative to the land-acquisition program in the Missouri River Basin (p. 2144).

9. PERSONNEL. Received a Little Rock, Ark., Corps of Engineers petition urging approval of a 10% pay increase for Federal employees (p. 2144).

10. ADJOURNED until Thurs., Mar. 10 (p. 2141).

SENATE

11. COMMODITY EXCHANGE FEES; SURPLUS COMMODITIES; FARM CREDIT. Passed without amendment S. 1051, to amend Sec. 8A (4) of the Commodity Exchange Act so as to authorize increased fees and charges for CEA registrations and renewals thereof and for copies of registration certificates (p. 2106);

12. S. 942, to repeal Public Law 820, 80th Congress, which provides for a revolving fund for purchase of agricultural commodities and raw materials to be processed in occupied areas and sold (p. 2105); and S. 941, to amend Sec. 1[illegible] of the Federal Farm Loan Act so as to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation (p. 2086).

12. COTTON ALLOTMENTS. The Agriculture and Forestry Committee reported with amendment H. R. 3952, to amend the Agricultural Adjustment Act of 1938 so as to provide for an increase in the 1955 national cotton acreage allotments of approximately 258,000 acres (S. Rept. 47)(p. 2073).

13. FOREST LANDS; MINERALS. At the request of Sen. Ellender, S. 687, to authorize the Secretary of Agriculture to protect timber and other surface values in national forests from invalid mining claims, was transferred from the Agriculture and Forestry Committee to the Interior and Insular Affairs Committee (p. 2079).

Received an Ariz. Legislature memorial favoring U. S. purchase of timberland in the Coconino and Sitgreaves national forests, Ariz., from the Aztec Land & Cattle Company (p. 2069).

pose to have it recess or adjourn until Thursday. On that day I propose to move that the Senate proceed to the consideration of the tax bill.

I have conferred with the distinguished minority leader and with the chairman of the Committee on Finance. We have agreed, so far as the leadership and the chairman of the Committee on Finance are concerned, that no votes will be taken on that measure before Monday next. We wish to have prompt action on that bill and to have its consideration expedited as much as possible. At the same time, we realize that it is an important piece of legislation and that many Members of the Senate will wish to express themselves on it. Therefore, I should like every Member of the Senate to know that, while we shall begin the consideration of the tax bill on Thursday, with the hope that every Member who cares to discuss the bill will be in a position to do so on Thursday and Friday, there will be no votes on the bill before Monday.

There will be no session of the Senate on Saturday of this week. When the Senate completes its business on Friday, I shall move that it go over until Monday. We hope that on Monday the Senate will be able to continue the debate on the tax bill and proceed to vote on it as soon as possible and in no event, I hope, later than Tuesday of next week.

Mr. KNOWLAND. Mr. President, I wish to say that the program outlined by the majority leader is entirely acceptable to the minority. I join with him in the hope that the tax bill will be expedited as promptly as possible. In view of the fact that the Senate will not be in session tomorrow, but will go over until Thursday, I have already informed the majority leader that, so far as I am concerned, I would have no objection to having the unanimous-consent agreement extended so that the minority views of the committee may be filed by midnight tomorrow, with the understanding that the printing of the minority views will be expedited by the printer so that they will be available to Members of the Senate on Thursday.

Mr. JOHNSON of Texas. With the indulgence of the Senate, I ask unanimous consent that the minority may file their minority views on the tax bill by midnight tomorrow.

I have had a chance only this morning to review some of the preliminary expressions in the minority views. The staff of the committee informs me that it is still working on certain figures which will not be available until late this evening. In view of the fact that the Senate will not proceed to the consideration of the tax bill until Thursday, and in view of the further fact that printed copies of the minority views will be available to the Senate before it proceeds to the consideration of the bill, I ask unanimous consent that the minority may have until midnight tomorrow night to file the minority views of the committee.

The VICE PRESIDENT. Without objection, it is so ordered.

VISIT TO THE SENATE OF HON. WISHART ROBERTSON, PRESIDENT OF THE SENATE OF CANADA

Mr. KEFAUVER. Mr. President, we are always delighted to have with us representatives of our wonderful, friendly, and progressive neighbor to the north. It is my high privilege and a great honor today to introduce to my colleagues in the Senate the President of the Canadian Senate, a distinguished statesman of Canada and of the world, the Honorable Wishart Robertson. [Applause, Senators rising.]

PARITY PRICES FOR FARM PRODUCTS

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I received dealing with parity price for farm products. The letter is from the Dickinson Farmers' Union, Local 781, Dickinson, N. Dak.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DICKINSON, N. DAK., *February 21, 1955.*

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: We, the members of Dickinson Farmers Union, Local 781, favor price support of 90 percent of parity or better.

As for the wheat acreage allotment, we think the big farmers can more afford to be cut than the small farmers. How can a small farmer meet all his expenses and yet exist if he cannot seed anything? We believe the wheat acreage should be determined by the amount of land the farmer cultivates, the less he has the less he should be cut down. At the rate we are going the small farmer will have to sell out and move to the city, which itself and the schools also are fast overcrowding. What is to become of our rural schools, and all the money invested in their improvements.

On wheat selling program, why not set a certain amount per acre of what the farmer produces. This would enable the farmers to have a sale of produce even though he should have a failure the following year.

Yours truly,
DICKINSON FARMERS UNION, LOCAL 781, DICKINSON, N. DAK.
JOHN J. WOLFE, *President.*
ANDREW DOLUHEH, *Secretary.*

PURCHASE OF REMAINING ASSETS OF FEDERAL FARM MORTGAGE CORPORATION BY FEDERAL LAND BANKS

Mr. STENNIS. Mr. President, I move that the Senate proceed to the consideration of Calendar 40, Senate bill 941.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 941) to amend section 13 of the Federal Farm Loan Act, as amended, to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation.

The VICE PRESIDENT. The question is on the motion of the Senator from Mississippi.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. ELLENDER. Mr. President, this bill would authorize the Federal land banks to purchase the assets of the Federal Farm Mortgage Corporation. The Corporation has not made any new loans since July 1, 1947, and is now in process of liquidation. Its loans are now serviced by the Federal land banks on a fee basis, and the servicing charges are approaching the point where they will exceed the interest received. It is therefore to the Government's advantage to dispose of the Corporation's assets, which consist primarily of these loans. Since the borrowers are generally land bank customers it is to the advantage of the land banks to purchase the loans. The land banks, however, do not now have authority to purchase these loans in all cases and this proposed legislation is consequently necessary.

The VICE PRESIDENT. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 941) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 13 of the Federal Farm Loan Act, as amended, is amended by adding at the end thereof the following new paragraph:

"Twentieth. Without regard to any limitations or restrictions of this act, to purchase all assets, except cash, accounts receivable, and reserved mineral interests, held by the Federal Farm Mortgage Corporation as a result of loans made on or before July 1, 1947, in the farm credit district in which said bank is situated and to assume the liabilities of said Corporation for future payment funds of borrowers and trust accounts applicable to said assets. The purchase price of notes and mortgages, purchase money mortgages, and real estate sales contracts shall be equal to the total of the unpaid balances on such items and accrued interest thereon at the date as of which purchase is made, less the total of the liabilities of the Corporation being assumed by the bank as herein provided. The purchase price of real estate, sheriffs' certificates, loans called for foreclosure, loans in suspense, judgments, and any other assets eligible for purchase under this paragraph but not specifically identified herein shall be equal to the fair market value of the assets as determined by agreement. The total consideration for the purchase shall be payable over a period of not more than 10 years from the date as of which purchase is made, and upon such terms as shall be agreed upon through negotiation with the Board of Directors of the Corporation."

A PLAN FOR ECONOMIC DISARMAMENT

Mr. SYMINGTON. Mr. President, last Wednesday I introduced Senate Resolution 71 and requested that it be retained in the Office of the Secretary of the Senate in order that Senators who might desire to do so might join as cosponsors of the resolution. The following Senators, 44 in number, have indicated a desire to join as cosponsors of the resolution:

Mr. THYE. I also ask that the bill, Senate bill 1023, to retire submarginal lands from the production of surplus agricultural commodities, be printed in the RECORD at this point in order that all may see just what the bill proposes.

There being no objection, the Senate bill, 1023, was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Secretary of Agriculture is directed to exercise the authority granted to him by title III of the Bankhead-Jones Farm Tenant Act to retire from the production of agricultural commodities in surplus supply lands in the arid and semiarid areas of the United States which are submarginal or not primarily suitable for cultivation.

RETURN TO THE FLOOR BY SENATOR JOHNSON OF TEXAS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may speak for 2 minutes, and perhaps an additional 2 minutes.

The VICE PRESIDENT. The Senator from Texas is recognized.

Mr. JOHNSON of Texas. I wish to take this opportunity to thank personally all my colleagues who were so thoughtful and generous to me while I was away from the Senate. No matter how skillful the doctors, and no matter how kindly the treatment, a hospital bed is a pretty fretful place.

I have a very warm spot in my heart for those who cared for me while I was in the hospital. I hope to see them many times again in the future. They were very able and very understanding. There is no State in the Union, unless it be Texas, where the people are more considerate of a person than are people of Minnesota. However, I hope my visits to that great State in the future will be purely social.

There were some bright spots incident to my visit to the hospital. The brightest was the solicitude displayed by my colleagues. All of them were generous. I, therefore, cannot single out any one as outstanding. However, I wish to express my deep gratitude to the able Vice President for his interest in my welfare.

I also express my appreciation to my beloved friend, the able minority leader [Mr. KNOWLAND]. I believe the thing which caused me to feel better, and which did me more good than Senators may realize, was the fact that my Republican colleagues in the Senate, under BILL KNOWLAND's leadership, sent me some beautiful flowers. The card which accompanied them read, "To a loyal Democrat, from his Republican colleagues in the Senate." I did not consider that a tribute to me, but I thought it was a tribute to the Republicans that they should feel and act in that way. I am very grateful for it.

I wish especially to thank the senior Senator from Kentucky [Mr. CLEMENTS] who took over my duties in my absence. I think he is one of the most outstanding men I have ever known. He is one of the great legislators of our time. I believe that every Member of the Senate counts EARLE CLEMENTS as a very close personal friend, and one who will always deal fairly and equitably with every man, regardless of party.

One of the most fortunate things that has happened since I came to the Senate was the selection of EARLE CLEMENTS by the Democratic conference as assistant Democratic leader. It brought to our leadership a mature mind and an able person. There have been few associations in my life that I have considered more rich and rewarding.

The State of Kentucky showed excellent judgment when it sent such a forceful and effective representative to the Senate as EARLE CLEMENTS. To me personally it has meant an enduring friendship.

Once more, I thank all my colleagues. I am glad to be back in the harness, even though my activity for the present must be on a somewhat reduced scale. [Applause, Senators rising.]

Mr. KNOWLAND. Mr. President, on behalf of all of us on this side of the aisle, I wish to say that we welcome back to his accustomed seat as majority leader of the Senate the distinguished Senator from Texas. We are delighted at his early recovery, even though it meant leaving such a delightful State as Minnesota, where he was temporarily incarcerated.

While the Senator from Texas was necessarily absent, he was ably represented by the distinguished senior Senator from Kentucky [Mr. CLEMENTS]. We continued the usual friendly and cooperative relationships which the Senator from Texas and I had previously enjoyed while holding these two positions of responsibility. I know that those of us on this side of the aisle are just as happy as are the Senator's own colleagues on the other side because of his return to the floor of the Senate.

Mr. STENNIS. Mr. President, I arrived in the Chamber in time to hear most of the remarks of the distinguished Senator from Texas. I am one of those who missed him. I wish to express my very great pleasure at having him back, and I wish him a speedy and complete recovery.

I desire to say a special word with respect to the very fine manner in which the assistant majority leader, the Senator from Kentucky [Mr. CLEMENTS], has carried on. He has been faithful to his trust. He has vindicated the judgment of those who thrust upon him these responsibilities. He has been faithful to the Senator from Texas. He has enjoyed the most implicit confidence of those on his side of the aisle, as well as Senators on the Republican side of the aisle. He has proved himself fully capable in every way, and has discharged his responsibilities in the finest traditions of the Senate. I commend him for his work.

Mr. CLEMENTS. Mr. President, I could not sit here without expressing to my friend from Texas my very deep appreciation for the warm sentiments expressed by him, even though his estimate of me may be somewhat exaggerated.

I wish to join with other Senators who have expressed their happiness over his early return to the Senate. I am happy to see him here, not only as evidence of his own improvement in health, but also for other reasons. For example, with him here I have just one-tenth of the responsibility as compared to that which devolves upon me when he is absent.

I should also like to say that I appreciate very much the expressions which have come from the lips of the Senator from California, the distinguished minority leader. Certainly there have existed kind and friendly relationships between the two sides of the aisle, and between the acting majority leader and the minority leader. However, all we did was to follow the pattern which had been established by the majority leader and the minority leader in the 83d Congress, and that pattern has been followed in the 84th Congress even though the positions of the two Senators were reversed.

As the assistant to the majority leader, I look forward to a continuation of that fine relationship.

Mr. KERR. Mr. President, I do not want the occasion to go by without expressing my enthusiastic approval of the generous comments which have been made in welcoming back our distinguished majority leader and in bestowing appropriate praise on and paying adequate tribute to the great senior Senator from Kentucky [Mr. CLEMENTS] for the magnificent way in which he carried on in the absence of the majority leader.

In that regard I wish to say that I have also been inspired by what appears to be a resurgence of the spirit of good will and the evidence of mutual confidence and respect which has reappeared on both sides of the aisle upon the return of our distinguished majority leader. I believe a distinct contribution has thus been made to the opportunity for progressive action by this body and that all of us will have a better chance to expedite the public business in the light of the good will which seems to be apparent on this occasion today.

Mr. CLEMENTS. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. CLEMENTS. Mr. President, I should not like this opportunity to pass without thanking my good friend from Oklahoma for his very kind remarks.

Mr. MORSE subsequently said: Mr. President, I wish to join in the joyous expressions made earlier today that the majority leader has returned to us, with every indication of a speedy recovery to robust health.

I wish to say to the senior Senator from Kentucky [Mr. CLEMENTS] that all of us are appreciative of the fine qualities of leadership he has exhibited in the absence of the majority leader. In fact, I shall speak this afternoon on a subject in connection with which I have received the wholehearted cooperation of the Senator from Kentucky; and I wish to have him know that I deeply appreciate his help, guidance, and leadership.

ANNOUNCEMENT AS TO LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, if the Senate will indulge me further, I should like to make an announcement. When the Senate concludes its business today, it is my pur-

S. 941

AN ACT

84TH CONGRESS
1ST SESSION

S. 941

IN THE HOUSE OF REPRESENTATIVES

MARCH 10, 1955

Referred to the Committee on Agriculture

AN ACT

To amend section 13 of the Federal Farm Loan Act, as amended, to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 13 of the Federal Farm Loan Act, as amended, is amended by adding at the end thereof the following new paragraph:

"Twentieth. Without regard to any limitations or restrictions of this Act, to purchase all assets, except cash, accounts receivable, and reserved mineral interests, held by the Federal Farm Mortgage Corporation as a result of loans made on or before July 1, 1947, in the farm credit district in which

1 said bank is situated and to assume the liabilities of said
2 Corporation for future payment funds of borrowers and trust
3 accounts applicable to said assets. The purchase price of
4 notes and mortgages, purchase money mortgages, and real
5 estate sales contracts shall be equal to the total of the unpaid
6 balances on such items and accrued interest thereon at the
7 date as of which purchase is made, less the total of the
8 liabilities of the Corporation being assumed by the bank as
9 herein provided. The purchase price of real estate, sheriffs'
10 certificates, loans called for foreclosure, loans in suspense,
11 judgments, and any other assets eligible for purchase under
12 this paragraph but not specifically identified herein shall be
13 equal to the fair market value of the assets as determined by
14 agreement. The total consideration for the purchase shall
15 be payable over a period of not more than ten years from the
16 date as of which purchase is made, and upon such terms as
17 shall be agreed upon through negotiation with the Board of
18 Directors of the Corporation."

Passed the Senate March 8, 1955.

Attest: FELTON M. JOHNSTON,

Secretary.

84TH CONGRESS
1ST SESSION

S. 941

AN ACT

To amend section 13 of the Federal Farm Loan Act, as amended, to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation.

MARCH 10, 1955

Referred to the Committee on Agriculture

S. 941

AN ACT

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued April 14, 1955
For actions of April 13, 1955
84th-1st, No. 61

CONTENTS

HIGHLIGHTS; Senate passed Treasury-Post Office appropriation bill. Senate committee ordered reported 2nd supplemental appropriation bill. House committee reported State, Justice, Judiciary appropriation bill. Senate received Hoover Commission report on transportation. Both Houses received Hoover Commission report on legal services.

HOUSE

1. STATE, JUSTICE, JUDICIARY APPROPRIATION BILL, 1956. The Appropriations Committee reported this bill, H. R. 5502 (H. Rept. 417), which is to be debated today (pp. 3710, 3719).

2. FARM LOANS. The Poage Subcommittee voted to report to the full Agriculture Committee S. 941, to authorize the Federal land banks to purchase the assets (except cash, accounts, receivable, and reserved mineral interests) of the Federal Farm Mortgage Corporation (p. D287).

3. AUDIT REPORTS were received from the Assistant Comptroller General on CCC (H. Doc. 129) and the Virgin Islands Corporation (H. Doc. 130); to Government Operations Committee (p. 3718).

4. ROADS. Both Houses received from the President a report, "Public Utility Relocation Incident to Highway Improvement" (H. Doc. 127); to Public Works Committees (pp. 3629, 3718).

5. PERSONNEL. Received from the Commerce Department a proposed bill to provide for settlement of claims of Government employees for damage to, etc., personal property incident to their service; to Judiciary Committee (p. 3719).

6. PENALTY MAIL. Received from the Post Office Department a proposed bill to amend

the Penalty Mail Act; to Post Office and Civil Service Committee (p. 3719).

7. FARM LOANS. Both Houses received from this Department a proposed bill to amend various provisions of the Bankhead-Jones Farm Tenant Act; to House Agriculture Committee and Senate Agriculture and Forestry Committee (pp. 3641, 3718).

8. LEGAL SERVICES. Both Houses received from the Hoover Commission its report on this subject; to Government Operations Committees (pp. 3642, 3718). This report will not be available from the Legislative Reporting Staff. Pursuant to a special arrangement, each agency of the Department is ordering its own supply of the report directly from GPO.

SENATE

9. TREASURY-POST OFFICE APPROPRIATION BILL, 1956. Passed as reported this bill, H. R. 4876. Senate conferees were appointed. The bill had been reported on April 12 with amendments (S. Rept. 136). (pp. 3629, 3663-4.)

10. SECOND SUPPLEMENTAL APPROPRIATION BILL, 1955. The Appropriations Committee ordered reported with amendments this bill, H. R. 4903 (p. D286). It is expected that the bill will be debated today (p. 3700). The Senate committee provided $700,000 for control of emergency outbreaks of insects, etc.; inserted language to permit the Department to repay a temporary allocation of $5,000,000 from the President's disaster relief fund to reactivate the emergency wind erosion control program under ACP; and retained the item of $2,570,000 for control of forest pests.

11. PERSONNEL. The Post Office and Civil Service Committee reported with amendments S. Res. 33, authorizing the Committee to investigate administration of the civil-service system by the Civil Service Commission and the departments and agencies (S. Rept. 137)(p. 3656).

12. CONTRACTS. Sen. Payne recommended amendments to clarify the Walsh-Healey Public Contracts Act (pp. 3674-6).

13. CLAIMS; PERSONNEL. Received from this Department a proposed bill to provide relief in the case of several aliens who were illegally employed (by what is now AMS) during the war; to Judiciary Committee(p. 3642).

14. ACREAGE ALLOTMENTS; PRICE SUPPORTS; SUGAR; RECLAMATION; ELECTRIFICATION. Received various resolutions, etc., favoring additional acreage allotments for the freeze areas, higher price supports, amendments of the Sugar Act, and the Hells Canyon project (pp. 3646-7, 3649, 3651, 3649-54).

15. TRANSPORTATION. Received from the Hoover Commission its report on this subject (p. 3642); to Government Operations Committee. The report includes the following recommendations:

Digest of CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 3, 1955
For actions of May 2, 1955
84th-1st, No. 71

CONTENTS

HIGHLIGHTS: Senate committee reported appropriation bill which includes Forest Service items. House conferees were appointed on USDA appropriation bill. House committee ordered reported bills to donate flour and meal to needy, repeal REA State formula, give CEA subpena power, authorize land banks to purchase FFMC assets. Senate debated trade agreements bill. Sen. Clements commended tobacco referendum results and spoke in favor of 90% price supports. Sen. Humphrey urged farmers to continue wheat quotas and criticized flexible price supports. Sen. Martin, Pa., introduced and discussed bill to provide more State participation in water projects.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1956. Reps. Whitten, Marshall, Deane, Natcher, Cannon, Andersen, Horan, Vursell, and Taber were appointed House conferees on this bill, H. R. 5239 (p. 4522). The conferees met but did not complete their work (p. D361).

2. SURPLUS COMMODITIES. The Agriculture Committee ordered reported (with an amendment in the nature of a substitute) H. R. 2851, providing for HEW to purchase flour and meal from USDA and donate it to the needy (p. D359).

3. PERSONNEL. Passed without amendment H. R. 3948, to remove the limitation that uniform allowances may be provided only to those who were required to wear uniforms when the Federal Employees Uniform Allowance Act was passed in 1954 (p. 4527). This bill will now be sent to the President.
   Rep. Pelly spoke in favor of immediate passage of a classified pay raise bill (p. 4525).

4. FORESTRY. Passed without amendment H. R. 2679, to protect scenic values along Oak Creek Canyon in Coconino National Forest, Ariz. (p. 4527). A companion bill, S. 52, has been reported in the Senate.

5. WATER RESOURCES. Passed as reported H. R. 208, consenting to a compact between Ark. and Okla. regarding Arkansas River waters (p. 4529). This bill had been reported earlier in the day with amendment (H. Rept. 463)(p. 4534).

6. ~~RURAL ELECTRIFICATION; COMMODITY EXCHANGES~~; FARM CREDIT. On Apr. 29 the Agriculture Committee voted to report ~~H. R. 5376, to repeal the State allotment formula for REA; H. R. 4514, to authorize subpoenas under the Commodity Exchange~~ Act; and S. 941, to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation (p. D359).

7. LAND TRANSFER. The Agriculture Committee ordered reported H. R. 1762, to direct sale of a tract of ARS land to Woodward, Okla. (p. D359).

8. BANKING AND CURRENCY. Both Houses received a message from the President recommending U. S. membership in the International Finance Corporation (H. Doc. 152); to Banking and Currency Committees (pp. 4522-3, 4516).

9. COOPERATIVES. Rep. Mason spoke in favor of H. R. 141, to amend the Capper-Volstead Act so as to provide for antitrust actions against large farmer cooperatives under certain circumstances (p. 4533).

10. FHA AUDIT. Received from the Comptroller General a report on the audit of the Farmers' Home Administration; to Government Operations Committee (p. 4534).

11. CHEESE. Rep. Johnson, Wis., announced that Wisconsin cheese would be served in the Capitol dining rooms (pp. 4524-5).

SENATE

12. INTERIOR AND RELATED AGENCIES APPROPRIATION BILL FOR 1956. The Appropriations Committee reported with amendments this bill, H. R. 5085 (S. Rept. 261)(p. 4472). Attached is a table showing actions relating to FS and ARS. In addition, the committee added $100,000 for weed control by the Bureau of Land Management. The bill also includes $400,000 for salt-water research and $390,000 for the Virgin Islands Corporation. Majority Leader Johnson indicated that the bill will probably be debated this week (pp. 4517-8, 4520).

13. TRADE AGREEMENTS. Began debate on H. R. 1, the trade agreements extension bill; adopted all committee amendments (See Digest 68) en bloc; agreed that the bill, as so amended, would be considered as original text for the purpose of further amendment; and adopted a technical, clarifying amendment by Sen. Byrd (pp. 4489-90, 4493-4510, 4512-20).

During debate on this bill Senators Byrd and Thye discussed the provisions to impose quotas on agricultural products under sec. 22 of the Agricultural Adjustment Act (pp. 4497-8), Sen. Robertson stated that the cotton-textile industry has little to fear from enactment of the bill (pp. 4506-8), and Sen. Mansfield stated that one of the most important answers to the agricultural surplus problem is an expanded foreign market (pp. 4513-6).

14. TOBACCO ALLOTMENTS; PRICE SUPPORTS. Sen. Clements stated that the results of the burley tobacco referendum demonstrate "an overwhelming acceptance by the growers of further reductions in acreage," and spoke in favor of 90% price supports on basic commodities (pp. 4483-4). Sen. Barkley commended the burley tobacco farmers on "this magnificent vote" for reduced acreage allotments (pp. 4483-4).

Digest of CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 10, 1955
For actions of May 9, 1955
84th-1st, No. 75

CONTENTS

HIGHLIGHTS: Senate passed bills to: give CEA subpena power; protect innocent purchasers of fungible goods from CCC claims; authorize inter-agency fire protection agreements. Senate subcommittee approved bill limiting interest on disaster loans to 3%. House sent Interior appropriation bill (which includes FS items) to conference; debated Hawii-Alaska statehood bill. House committee reported bills to give CEA subpena power, authorize land banks to purchase FFMC assets, and repeal REA State formula. Sen. Allott introduced and discussed emergency loans bill. Sen. Smathers intr. and discussed bill to carry out recommendations of President's transportation commitee.

SENATE

1. COMMODITY EXCHANGES. Passed without amendment S. 1398, to provide subpena power to the Commodity Exchange Authority (pp. 4987-8).

2. CCC CLAIMS. Passed as reported H. R. 1831, to protect innocent purchasers of fungible goods converted by warehousemen from CCC claims (pp. 4988-9).

3. FOREST FIRES. Passed as reported S. 1006, to authorize the execution of agreements between agencies of the U. S. and other agencies and instrumentalities for mutual aid in fire protection (p. 4990).

4. PUBLIC LANDS. Passed as reported S. 265, to amend the acts authorizing agricultural entries under the nonmineral land laws of certain mineral lands in order to increase the limitation with respect to desert entries made under such acts to 320 acres (p. 4987).

Passed without amendment S. 748, to prohibit the U. S. from acquiring mineral interests in lands acquired by it except when necessary to serve the purpose for which such lands are acquired (pp. 4986-7).

5. ANIMAL DISEASE. Passed without amendment S. 1133, to authorize USDA to pay indemnity for losses and expenses incurred during July 1954 in Iowa in connection with vesicular exanthema (p. 4988).

6. RECORDS. Passed without amendment S. 1007, to authorize GSA to establish a central depository for inter-state agreements (p. 4989).

7. FARM LOANS. On May 6 (during Senate recess) a subcommittee of the Agriculture and Forestry Committee approved for reporting to the full committee S. 1755, to reduce interest rates from 5% to 3% on disaster loans (p. D386).

8. RECESSED until Wed., May 11. Majority Leader Johnson stated that the postal pay bill may be considered Wed. and that the roads bill may be considered later in the week. (p. 4993.)

HOUSE

9. INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATION BILL FOR 1956. Reps. Kirwan, Norrell, Sieminski, Magnuson, Jensen, Fenton, Scrivner, and Taber were appointed conferees on this bill, H. R. 5085 (p. 4994). Senate conferees have been appointed.

10. ~~RURAL ELECTRIFICATION, COMMODITY EXCHANGES;~~ FARM CREDIT. The Agriculture Committee reported without amendment ~~H. R. 5376, to repeal the State allotment formula for REA (H. Rept. 547), H. R. 4514, to authorize subpenas under the Commodity Exchange Act (H. Rept. 552), and~~ S. 941, to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation (H. Rept. 550) (p. 5029).

11. FIRE PROTECTION. The Government Operations Committee reported without amendment H. R. 6015, to authorize the execution of agreements between agencies of the U. S. and other agencies and instrumentalities for mutual aid in fire protection (H. Rept. 549) (p. 5029).

12. PERSONNEL. The Judiciary Committee reported without amendment H. R. 5650, to provide for the settlement of claims of military personnel and civilian employees of the Federal Government for damage to, or loss, destruction, capture, or abandonment of personal property occurring incident to their service (H. Rept. 553) (p. 5029).

13. CIVIC AUDITORIUM. Passed as reported H. R. 1825, creating a commission to plan a D. C. civic auditorium (pp. 5009-13).

14. STATEHOOD. Began debate on H. R. 2535, the Alaska-Hawaii statehood bill (pp. 5013-24).

15. POTATOES. Received a Maine Legislature memorial recommending an investigation of the Mercantile Exchange for the purpose of providing greater stability in the potato industry (p. 5031).

BILLS APPROVED BY THE PRESIDENT

16. RICE ALLOTMENTS. H. R. 4647, which increases each 1955 State rice acreage allotment by 2%, provides each State with a 1955 rice allotment at least equal to its 1950 allotment, provides each county whose base acreage for 1955 exceeded by at least 2% its base acreage for 1950 with a 1955 rice allotment at least equal to its 1950 allotment, and increases each State reserve for new producers and new farms to a minimum of 500 acres. Approved May 5, 1955 (Public Law 29, 84th Cong.).

84th Congress, 1st Session | HOUSE OF REPRESENTATIVES | Report No. 550

BULK PURCHASE OF FEDERAL FARM MORTGAGE CORPORATION ASSETS BY FEDERAL LAND BANKS

May 9, 1955.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. Cooley, from the Committee on Agriculture, submitted the following

REPORT

[To accompany S. 941]

The Committee on Agriculture to whom was referred the bill (S. 941) to amend section 13 of the Federal Farm Loan Act, as amended, to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The purpose of this bill is to authorize the Federal land banks to purchase in bulk the remaining assets of the Federal Farm Mortgage Corporation in their respective districts. Authority to purchase mortgages and contracts of the Corporation now exists but each transaction must be on an individual basis with the borrower becoming a member of a farm loan association and subscribing to stock in the Federal land bank.

The loans involved are those which were made by the Land Bank Commissioner and no new loans of this type have been made since July 1, 1947. The Federal Farm Mortgage Corporation is in process of liquidation and the loans are now being serviced by the various Federal land banks. Many of the loans have reached the point where service charges involved are greater than the return from interest on the outstanding balance so that it is deemed in the Government's interest to liquidate them in bulk in this manner. A similar bill was reported favorably by the committee in the 83d Congress and passed the House on April 5, 1954, but was not brought to a vote in the Senate.

At the hearing on the bill no witnesses appeared in opposition. Following is a statement in explanation of the bill made by R. B. Tootell, Governor, Farm Credit Administration, at the hearing on the

bill, and also the letter from the Governor to the Speaker of the House of Representatives requesting enactment of this legislation.

S. 941, as passed by the Senate on March 8, 1955, is a bill to authorize the Federal land banks, each as to its own district, to purchase all of the mortgage loans, purchase money mortgages, real estate sales contracts, acquired real estate, etc., still owned by the Federal Farm Mortgage Corporation in the district. This new authority would extend to all of the remaining assets of the Corporation, except cash, accounts receivable, and mineral interests heretofore reserved by the Corporation. As directed by the Congress (Public Law 760, 81st Cong.), such mineral interests are now being sold to the surface owners who apply to purchase them and any not applied for by September 6, 1957, will be transferred to the Department of the Interior.

A similar bill was passed by the House in the 83d Congress (H. R. 6711, Rept. No. 1378) but did not come to a vote in the Senate. In this Congress, the Farm Credit Administration again proposed such legislation in a letter to the Speaker of the House and the President of the Senate dated January 25, 1955, a copy of which is included in Senate Report No. 37 on S. 941. In that letter, which I assume is available to the committee and may be included in the record here, the proposal is discussed in more detail than I have in mind to do in this initial statement. However, as the loan and related assets of the Federal Farm Mortgage Corporation continue to be paid down, we consider that there is even more reason for such legislation than when it was first proposed.

Such loan and related assets, totaling about $13 million, are what the Corporation still holds out of some 680,000 Land Bank Commissioner loans made for the total amount of $1.2 billion during the period 1933–47. Under existing law, the Federal Farm Mortgage Corporation has authority to sell its assets, except reserved mineral interests, to the Federal land banks. However, such banks may now purchase mortgages or contracts from the Corporation only if, among other things, the unpaid balance thereof, together with any prior indebtedness on the same property, does not exceed 65 percent of the appraised value of the property, and the borrower subscribes to stock in and becomes a member of a national farm loan association. In order, therefore, to authorize the Federal land banks to make a bulk purchase of the remaining mortgage loan assets of the Federal Farm Mortgage Corporation, legislation such as the bill before you will be necessary.

The mortgage loan assets now held by the Federal Farm Mortgage Corporation are serviced by the Federal land banks through the national farm loan associations, and the banks are compensated for this service on a unit basis. The servicing costs per unit have been rising while, as the mortgage loan assets are paid down, the interest received on them decreases. On December 31,1954, the average unpaid balance of outstanding first mortgage Commissioner loans was $503, and of the second mortgage loans it was $629. It would seem to be in the interests of good administration to effect the sale of the remaining assets at this time. It would not disturb the debtors on the assets sold as they would continue to have their accounts serviced by the Federal land banks through the national farm loan associations as at present.

If the legislation should be approved in time, it is intended that the assets of the Corporation will be sold and transferred to the land banks as of June 30, 1955, the end of the present fiscal year. Thereafter, in lieu of such assets, the Corporation would hold only the promissory notes given by the land banks for the purchase price, all of which would be payable within a period of not more than ten years. After transfer of any remaining mineral interests of the Corporation to the Interior Department in the fall of 1957, the only thing remaining for the Corporation to do, so far as concerns liquidation of its assets, would be to receive the payments on the land bank notes and declare them as dividends for payment into the general fund of the Treasury.

It is to bring this about, and to clear the way for any further decisions that may need to be made as to the Federal Farm Mortgage Corporation, that we urge enactment of S. 941 at this time.

FARM CREDIT ADMINISTRATION,
Washington, D. C., January 25, 1955.

The honorable the SPEAKER,
House of Representatives.

DEAR MR. SPEAKER: There is transmitted herewith a proposed bill to amend section 13 of the Federal Farm Loan Act, as amended, to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation. The objective of this bill is to accelerate the liquidation of the assets of the Federal Farm Mortgage Corporation through a bulk sale and transfer of its loans and related assets to the Federal land banks.

The Federal Farm Mortgage Corporation is a wholly owned Government corporation established by the Congress in 1934 to aid in the refinancing of farm debts by providing funds for the Land Bank Commissioner loans which were made on its behalf through the Federal land bank system and by assisting in the financing of the Federal land banks. The Corporation has been in process of liquidating its assets since 1947 when the authority to make Commissioner loans, except to refinance existing loans, expired. All bonds issued by the Corporation have matured and been paid or, if not yet presented for payment, provision has been made for their payment; its capital provided by the United States has been reduced to the nominal amount of $10,000; and, as directed by various appropriation acts, all cash funds in excess of the estimated operating requirements for the fiscal year are declared as dividends and paid into the general fund of the Treasury. Although no loans, except to refinance loans previously made, have been made on behalf of the Corporation since July 1, 1947, outstanding loans and related assets, totaling approximately $15 million, have some maturities extending into the 1970's. Instead of having the Coroporation continue to hold such loans until they are paid according to their terms, the proposed bill would provide for their present disposal by authorizing each Federal land bank to contract with the Corporation for a bulk purchase of all remaining assets of the Corporation situated in the farm credit district, served by the bank, except cash, accounts receivable, and reserved mineral interests. (Reserved mineral interests are now being sold to the owners of the surface pursuant to Public Law 760, 81st Cong. (64 Stat. 769), and any not sold prior to September 6, 1957, will thereafter be transferred to the Department of the Interior.)

The Federal Farm Mortgage Corporation has no separate personnel of its own and its outstanding loans are being serviced by the Federal land banks and the national farm loan associations under yearly contracts with the banks which provide compensation for servicing the loans on a per unit basis. In recent years the servicing costs per unit have increased while, as the loans are paid down, the interest collected on them steadily decreases. At the present time the income from loans is insufficient to meet servicing costs in two of the farm credit districts and within the next few years this will be so in most of the other districts. It is deemed in the interest of good administration, therefore, to provide for the sale of such loans and related assets at the present time. A bulk sale to the Federal land banks, rather than to any other purchasers, is being proposed because the land banks have always serviced the loans for the Corporation and a majority of the loans are on second mortgage to persons who also have a first-mortgage loan from a land bank. If the land banks acquire such loans and related assets of the Corporation, it would not disturb the borrowers in any way since the loans would continue to be serviced by the same local associations and under the same policies as in the past.

The Federal Farm Mortgage Corporation now has authority to sell its assets, except reserved mineral interests, to the Federal land banks. Under existing law, though, a land bank may purchase mortgage loans or contracts from the Corporation only if, among other things, the unpaid balance thereof, together with any indebtedness to the land bank on the same property, does not exceed 65 percent of the appraised normal value of the security, and only if the borrower is or becomes a member of the local national farm loan association and acquires stock in the association equal to 5 percent of the unpaid balance of the indebtedness. In view of the limitations on the existing authority of the land banks to purchase loans from the Corporation, it will be necessary to grant them additional authority as now proposed if they are to purchase all remaining loans and related assets of the Corporation.

As provided in the proposed bill, the purchase price of notes and mortgages (mortgage loans), purchase money mortgages, and real estate sales contracts would be the total of their unpaid balances, with accrued interest, at the date as of which the purchase is made. The purchase price of real estate, sheriffs'

certificates, loans called for foreclosure, loans in suspense, judgments, and any other assets being purchased would be their fair market value as determined by agreement. It is contemplated that the fair market value of these latter assets, which are carried on the books of the Corporation at less than $30,000 out of the approximately $15 million of assets subject to purchase, would be based on values established by land bank appraisers or on foreseeable recoveries. Each bank would assume the liabilities of the Corporation for future payment funds of borrowers and trust accounts applicable to the assets it purchased and the amount of such assumed liabilities would be deducted from the purchase price. The total consideration for the purchase, arrived at as indicated, would then be payable over a period of not more than 10 years upon such terms as shall be agreed upon through negotiation by each bank with the Corporation. In negotiating the terms of payment, it is deemed necessary to recognize that the Corporation would be relieved of the costs of servicing the assets, possible losses in their collection, and an eventual operating deficit, when the servicing costs will exceed the income from the assets, and that the land banks would be assuming the position of the Corporation in these respects. Accordingly, it is intended that the purchase price shall be without interest and that the amounts and dates of payments within the 10-year period will be fixed with due regard for such factors as the income from and maturities of the assets, the costs of servicing them, and possible losses thereon, with appropriate adjustments for differences in such factors between districts. The Federal land banks have indicated their willingness to purchase the assets on the basis outlined.

If the proposed bill is enacted and the Federal land banks purchase the loans and related assets of the Corporation as authorized therein, the only further activity anticipated for the Corporation is that it will continue to dispose of its reserved mineral interests pursuant to Public Law 760 (81st Cong.); that it will hold the notes received from the land banks for the purchase price of the loans and related assets, all of which will be payable within not more than 10 years; and that all payments received will become a part of the cash assets available for payment as dividends into the general fund of the Treasury. Within 10 years, therefore, the assets of the Corporation would be completely liquidated. Thereafter it is intended that the Corporation shall be continued on a standby basis, with only its present nominal capital, so that its financial authority, particularly its authority to issue Government-guaranteed bonds, may be available to assist temporarily in financing the Federal land bank system, if that should again be necessary, and to provide a ready means for financing further loans of the Land Bank Commissioner type, if the Congress should again direct the making of such loans.

The Federal Farm Credit Board has approved the submission of this proposed legislation. The Farm Credit Administration recommends early consideration and enactment of the proposed bill.

The Bureau of the Budget advises that there is no objection to the presentation of this proposal for the consideration of the Congress.

Sincerely yours,

R. B. Tootell, *Governor.*

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the House of Representatives, changes in existing law made by the bill are shown as follows (new matter is in italics; existing law in which no change is proposed is shown in roman):

Federal Farm Loan Act, as Amended

Sec. 13. Every Federal land bank shall have power, subject to the limitations and requirements of this subchapter—

* * * * * * *

Twentieth. Without regard to any limitations or restrictions of this Act, to purchase all assets, except cash, accounts receivable, and reserved mineral interests, held by the Federal Farm Mortgage Corporation in the farm credit district in which said bank is situated and to assume the liabilities of said Corporation for future payment funds of borrowers and trust accounts applicable to said assets. The purchase price of notes and mortgages, purchase money mortgages, and real estate sales contracts shall be equal to the total of the unpaid balances on such items and accrued interest thereon

at the date of purchase, less the total of the liabilities of the Corporation being assumed by the bank as herein provided. The purchase price of real estate, sheriff's certificates, loans called for foreclosure, loans in suspense, judgments, and any other assets eligible for purchase under this paragraph but not specifically identified herein shall be equal to the fair market value of the assets as determined by agreement. The total consideration for the purchase shall be payable over a period of not more than ten years from the date of purchase, and upon such terms as shall be agreed upon through negotiation with the board of directors of the Corporation.

O

Union Calendar No. 139

84TH CONGRESS
1ST SESSION

S. 941

[Report No. 550]

IN THE HOUSE OF REPRESENTATIVES

MARCH 10, 1955

Referred to the Committee on Agriculture

MAY 9, 1955

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

AN ACT

To amend section 13 of the Federal Farm Loan Act, as amended, to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 13 of the Federal Farm Loan Act, as amended, is amended by adding at the end thereof the following new paragraph:

"Twentieth. Without regard to any limitations or restrictions of this Act, to purchase all assets, except cash, accounts receivable, and reserved mineral interests, held by the Federal Farm Mortgage Corporation as a result of loans made on or before July 1, 1947, in the farm credit district in which

said bank is situated and to assume the liabilities of said Corporation for future payment funds of borrowers and trust accounts applicable to said assets. The purchase price of notes and mortgages, purchase money mortgages, and real estate sales contracts shall be equal to the total of the unpaid balances on such items and accrued interest thereon at the date as of which purchase is made, less the total of the liabilities of the Corporation being assumed by the bank as herein provided. The purchase price of real estate, sheriffs' certificates, loans called for foreclosure, loans in suspense, judgments, and any other assets eligible for purchase under this paragraph but not specifically identified herein shall be equal to the fair market value of the assets as determined by agreement. The total consideration for the purchase shall be payable over a period of not more than ten years from the date as of which purchase is made, and upon such terms as shall be agreed upon through negotiation with the Board of Directors of the Corporation."

Passed the Senate March 8, 1955.

Attest: FELTON M. JOHNSTON,

Secretary.

Union Calendar No. 139

84TH CONGRESS
1ST SESSION

S. 941

[Report No. 550]

AN ACT

To amend section 13 of the Federal Farm Loan Act, as amended, to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation.

MARCH 10, 1955

Referred to the Committee on Agriculture

MAY 9, 1955

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[illegible]

[illegible] S. 941

[illegible]

AN ACT

[illegible]

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 18, 1955
For actions of May 17, 1955
84th-1st, No.81

CONTENTS

HIGHLIGHTS: Both Houses agreed to conference report on agricultural appropriation bill. Ready for President. Senate passed bill to repeal ACP tie-in with acreage allotments. Ready for President. Senate debated bill to repeal REA State formula. Senate committee reported bill to increase per diem allowances. Senate committee ordered reported bills for Mexican fence and for salt-water research. Sen. Humphrey introduced and discussed bill to provide 90% price supports for family-size farms. House passed bill to authorize land banks to purchase FFMC assets. Ready for President. House committee reported measure for USDA study of tobacco controls. House debated reserve manpower bill. House subcommittee voted for bill to increase per-diem allowances.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1956. Both Houses agreed to the conference report on this bill, H. R. 5239. The House concurred in the Senate amendment which had been reported in disagreement, to provide for part of the CCC administrative-expense limitation to be placed in reserve. (pp. 5489, 5458-74). This bill will now be sent to the President.

2. FARM LOANS. Passed without amendment S. 941, to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation (pp. 5501, 5519). This bill will now be sent to the President.

3. RESERVE FORCES. Began debate on H. R. 5297, to provide for strengthening of the Reserve Forces (pp. 5519-45).

4. TOBACCO. The Agriculture Committee reported without amendment S. J. Res. 60, directing this Department to study and report to Congress on methods of burley tobacco marketing controls (H. Rept. 596)(p. 5549).

5. ANIMAL DISEASE. Passed without amendment S. 1133, authorizing payment for losses incurred in Iowa in July 1954 on account of vesicular exanthema, which could not

be paid because of a technicality (p. 5505). A companion bill, H. R. 4576, was reported without amendment earlier in the day (H. Rept. 598). S. 1133 will now be sent to the President.

6. FARM LOANS. The Rules Committee reported a resolution for consideration of H. R. 5715, to extend the authority for the Veterans' Administration to make direct loans and to require VA to make additional types of loans (p. 5505).

7. TRAVEL EXPENSE. The "Daily Digest" states: "The Subcommittee on Executive and Legislative Reorganization approved for reporting to the full committee a clean bill (H. R. 6295), to provide for an increase in maximum per diem allowance — from $9 to $13 — for subsistence and travel expenses. The bill will be considered by the full committee...tomorrow." (p. D428.)

8. LAND TRANSFER. The Agriculture Committee reported with amendment H. R. 2973, to release reversionary rights to a former FHA tract in Macon County, Ga., to the Ga. Board of Education (H. Rept. 597)(p. 5549).

9. EDUCATION. Passed as reported H. R. 603, to authorize additional land grants to the University of Alaska (p. 5497).

10. ORGANIZATION. Received from the President an amendment to the 1956 Budget for the President's Advisory Committee on Government Organization (H. Doc. 164); to Appropriations Committee (p. 5548).

SENATE

11. SOIL CONSERVATION; ACREAGE ALLOTMENTS. Passed without amendment H. R. 1573, to repeal the provisions prohibiting ACP payments to persons who do not adhere to acreage allotments on basic crops (pp. 5458-74). Rejected, 35 to 49, an amendment in the nature of a substitute, by Sen. Holland (for himself and Sens. Aiken, Anderson, and Watkins), which would have modified Sec. 348 but would not have repealed it (p. 5474). This bill will now be sent to the President.

Sen. Carlson inserted a city of Kansas City, Kans., resolution favoring the continuance of surveys andplanning for the conservation of soil and water in Kans. (pp. 5420-1).

Sen. Watkins commended the interest of young people in conservation development and inserted an article written by the Secretary at the request of the young people of Milford Elementary School, "Youth's Part in Conservation" (pp. 5446-7).

12. RURAL ELECTRIFICATION. Began debate on S. 153, to amend the Rural Electrification Act so as to eliminate the requirement that not more than 10% of the loans may be made in any one State. Pending is a Humphrey amendment (in the nature of a substitute) to modify the present formula but not repeal it (pp. 5479-84).

Sen. Kefauver urged immediate release of the Hoover Commission Task Force report on public power and water resources and inserted a St. Louis Post Dispatch on this subject (pp. 5445-6).

13. LANDS. Both Houses received from the Interior Department a proposed bill "to facilitate the administration of the public lands"; to Interior and Insular Affairs Committees (pp. 5417, 5548).

14. SUGAR QUOTAS. Received an Hawaiian Legislature resolution urging immediate domestic sugar quota increases (p. 5418).

7. One hundred and fifty-eight degrees six minutes seventy-two feet along L. C. Aw. 7296 to Puhi, along stone wall;

8. Two hundred and sixty degrees thirty-six minutes ninety and seven-tenths feet along stone wall;

9. One hundred and ninety-four degrees ten minutes sixty-two and nine-tenths feet along stone wall along L. C. Aw. 7295 and 6979–B:2 to Keoiewa;

10. One hundred and seventy-five degrees fifty-four minutes twenty-six and nine-tenths feet along stone wall;

11. Two hundred and fifteen degrees thirty-seven minutes forty-seven and four-tenths feet along stone wall along remainder of L. C. Aw. 11216:34 to M. Kekauonohi;

12. One hundred and seventy-two degrees twenty-eight minutes forty-eight and one-tenth feet along same;

13. Two hundred and twenty-six degrees twenty-three minutes two hundred twenty-eight and eight-tenths feet along remainder of L. C. Aw. 11216:34 to M. Kekauohohi to the south side of fifty-foot road;

14. Two hundred and sixty-four degrees fifty-one minutes one hundred fifteen and two-tenths feet along the south side of fifty-foot road;

15. Two hundred and fifty-two degrees thirteen minutes two hundred and two-tenths feet along same;

16. Two hundred and eighty-six degrees thirty minutes one hundred seventy and nine-tenths feet along same;

17. Two hundred and thirty-eight degrees twenty-five minutes ninety-two and eight-tenths feet along same;

18. Two hundred and twenty-three degrees one minute one hundred fourteen and four-tenths feet along same;

19. Three hundred and thirty-eight degrees forty-nine minutes thirty seconds four thousand nine hundred eighty and three-tenths feet along the remainder of L. C. Aw. 11216:34 to M. Kekauonohi and L. C. Aw. 7712:1 to M. Kekuanaoa and passing over a one and one-fourth-inch pipe in concrete monument at one thousand four hundred eigthy-one and six-tenths feet to the point of beginning.

Area, one hundred sixty-six and ninety one-hundredths acres.

PARCEL 2

Being portions of L. C. Aw. 11216 Apana 34 to M. Kekauonohi, R. P. 7874 (Ahupuaa of Honaunau).

Beginning at a pipe in concrete at the northeast corner of this parcel, the coordinates of said point of beginning referred to Government Survey Triangulation Station "Lae-O-Kanoni" being two thousand one hundred thirty-nine feet south and eleven thousand six hundred seventeen and nine-tenths feet east and running by azimuths measured clockwise from true south:

1. Three hundred fifty-eight degrees twenty-three minutes two hundred sixty and four-tenths feet along the remainder of L. C. Aw. 11216:34 to M. Kekauonohi;

2. Ninety-three degrees thirty minutes two hundred and sixty-nine feet along the same, along stone wall, along lot 2 of the subdivision by B. P. Bishop estate;

3. Eighty-two degrees no minutes three hundred and eighteen feet along same to the east side of fifty-foot road;

4. Thence along the east side of fifty-foot road, the direct azimuth and distance being: one hundred seventy-one degrees twenty minutes two hundred ninety-one and five-tenths feet;

5. Two hundred and seventy degrees no minutes six hundred and twenty feet along the remainder of L. C. Aw. 11216:34 to M. Kekauonohi to the point of beginning.

Area, three and seventy one-hundredths acres.

Together with an easement six feet wide for a pipeline right-of-way extending from the Government road to parcel 1, the south side of said right-of-way being described as follows:

Beginning at the east end of this right-of-way on the common boundary of the lands of Honaunau and Keokea, the coordinates of said point of beginning referred to Government Survey Triangulation Station "Lae-O-Kanoni" being three thousand one hundred ninety and eight-tenths feet south and eleven thousand seventy-eight and eight-tenths feet east, and running by azimuths measured clockwise from true south:

1. Eighty degrees thirty-six minutes five seconds one hundred and seventeen feet along L. C. Aw. 7712:1 to M. Kekuanaoa, to the Triangulation Station "Ahupuaa" of the B. P. Bishop estate;

2. Eighty-two degrees twenty minutes seven thousand two hundred eighty-nine and one-tenth feet along same to a one and one-fourth-inch pipe in concrete monument on the east boundary of parcel 1 the coordinates of said point of the end of this six-foot right-of-way referred to Government Triangulation Station "Lae-O-Kanoni" being four thousand one hundred eighty-two and four-tenths feet south and three thousand seven hundred thirty-nine and four-tenths feet east.

Area, one and two one-hundredths acres.

PARCEL 3

Being portion of L. C. Aw. 8521–B to G. D. Hueu, being portion of the Ahupuaa of Kiilae.

Beginning at a one and one-half-inch pipe in concrete monument called "Kaiani" at the northeast corner of this parcel, the southeast corner of parcel 1, on the common boundary of the land of Keokea and Kiilae, the coordinates of said point of beginning referred to Government Survey Triangulation Station "Lae-O-Kanoni" being seven thousand four hundred forty-four and eight-tenths feet south and five thousand three and two-tenths feet east and running by azimuths measured clockwise from true south:

1. Three hundred thirty eight degrees forty-nine minutes thirty seconds five hundred ninety-five and four-tenths feet along the remainder of L. C. Aw. 8521–B to G. D. Hueu to the eight thousand foot south coordinates line referred to Government Survey Triangulation Station "Lae-O-Kanoni";

2. Ninety degrees no minutes one thousand ninety-nine and seven-tenths feet along same and along said eight thousand foot south coordinates line and across school grant 7 Apana 6 to high-water mark;

3. Thence along high-water mark, along sea, the direct azimuth and distance being: two hundred six degrees thirty-three minutes thirty seconds four hundred eighty-two and nine-tenths feet;

4. Two hundred fifty-nine degrees thirty-three minutes fifteen seconds six hundred eighty feet along L. C. Aw. 7712:1 to M. Kekuanaoa and passing over a rock called Kuwaia, marked K+K at six and eight-tenths feet to the point of beginning.

Area, ten and twenty-five one-hundredths acres.

SEC. 2. Upon the vesting of title in the United States to such lands as may be designated by the Secretary of the Interior as necessary and suitable for historical park purposes in accordance with the provisions of section 1 of this act, the City of Refuge National Historical Park shall be established by order of the said Secretary, which shall be published in the Federal Register. Any other lands within the area described above shall become a part of the national historical park upon the vesting of title thereto in the United States and upon publication of an appropriate supplemental order by the said Secretary in the Federal Register.

SEC. 3. The Secretary of the Interior is authorized to procure, by donation or purchase, with any funds that may be available for that purpose, lands and interests in lands which may be needed for the City of Refuge National Historical Park within the area described in section 1 hereof.

SEC. 4. In order to cooperate with the Secretary of the Interior in consolidating in Federal ownership lands within the area described above, and to facilitate acquisition of the lands needed for the national historical park, the Governor of the Territory of Hawaii is also authorized to acquire lands for said park, at the expense of the Territory of Hawaii by exchange or otherwise, in accordance with procedure prescribed by the act of February 27, 1920 (41 Stat. 452).

SEC. 5. The City of Refuge National Historical Park shall be administered by the Secretary of the Interior subject to the provisions of the act of August 25, 1916 (39 Stat. 535; 16 U. S. C., 1946 edition, secs. 1–4), as amended and supplemented, and such additional authority compatible therewith as is contained in the act of August 21, 1935 (49 Stat. 666; 16 U. S. C., 1946 edition, secs. 461–467), with regard to preservation of historic sites and objects of national significance.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIMINATION OF LIMITATIONS ON RURAL ELECTRIFICATION LOAN FUNDS

The Clerk called the bill (H. R. 5376) to amend the Rural Electrification Act of 1936, as amended.

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

BULK PURCHASE OF FEDERAL FARM MORTGAGE CORPORATION ASSETS BY FEDERAL LAND BANKS

The Clerk called the bill (S. 941) to amend section 13 of the Federal Farm Loan Act, as amended, to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, I would like to ask some member of the committee if the conditions under which the assets of the Federal Farm Mortgage Corporation can be purchased have been set out? If there is no one present to answer the question, Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RELIEF OF JEFFERSON AND PLAQUEMINES DRAINAGE DISTRICT, LOUISIANA

The Clerk called the bill (H. R. 1768) for the relief of the Jefferson and Plaquemines Drainage District and certain persons whose properties abut on the Federal Government's right-of-way for Harvey Canal in Louisiana.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

SUBPENA POWER FOR COMMODITY EXCHANGE AUTHORITY

The Clerk called the bill (H. R. 4514) to strengthen the investigation provisions of the Commodity Exchange Act.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MILLER of Nebraska. Mr. Speaker, reserving the right to object, I would like to ask some Member certain questions about this bill. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

MILITARY PERSONNEL AND CIVILIAN EMPLOYEES' CLAIMS ACT OF 1955

The Clerk called the bill (H. R. 5650) to provide for the setlement of claims of military personnel and civilian employees of the Federal Government for damage to, or loss, destruction, capture, or abandonment of, personal property occurring incident to their service, and for other purposes.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that this bill, H. R. 5650, be recommitted to the Committee on the Judiciary for further study.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AUTHORIZING SETTLEMENT OF CLAIMS OF PATIENTS

The Clerk called the bill (H. R. 5787) to authorize settlement of claims for residential structures heretofore erected at the expense of patients on the grounds of the Public Health Service hospital, Carville, La.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated for the fiscal year ending June 30, 1956, not to exceed $25,000 to enable the Secretary of Health, Education, and Welfare to settle or compromise all claims by various persons of right or title to or interest in certain structures (including furniture and fixtures therein) which were erected prior to January 1, 1954, by patients of the Public Health Service hospital at Carville, La., at their own expense on the grounds of the hospital. Such claims may be settled or compromised, with the approval of the Administrator of General Services, for such amounts as may be arrived at by agreement between the Secretary and the persons claiming such right, title, or interest. Nothing in this act shall effect the authority of the Attorney General to conduct litigation affecting the United States, and no funds available for purposes of this act shall be available for paying any judgment or settlement arising out of any such litigation.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING SECTION 1721, TITLE 18, UNITED STATES CODE

The Clerk called the bill (H. R. 5417) to amend section 1721, title 18, United States Code, relating to the sale or pledge of postage stamps.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1721, title 18, United States Code, is hereby amended to read as follows:

"§ 1721. Sale or pledge of stamps

"Whoever, being a postmaster or postal service employee, knowingly and willfully; uses or disposes of postage stamps, stamped envelopes, or postal cards entrusted to his care or custody in the payment of debts, or in the purchase of merchandise or other salable articles, or pledges or hypothecates the same or sells or disposes of them except for cash; or sells or disposes of postage stamps or postal cards for any larger or less sum than the values indicated on their faces; or sells or disposes of stamped envelopes for a larger or less sum than is charged therefor by the Post Office Department for like quantities; or sells or disposes of postage stamps, stamped envelopes, or postal cards at any point or place outside of the delivery of the office where such postmaster or other person is employed; or for the purpose of increasing the emoluments, or compensation of the postmaster or any employee of a post office or station or branch thereof, inflates or induces the inflation of the receipts of any post office or any station or branch thereof; or sells or disposes of postage stamps, stamped envelopes, or postal cards, otherwise than as provided by law or the regulations of the Post Office Department; shall be fined not more than $500 or imprisoned not more than 1 year, or both."

With the following committee amendment:

Page 1, line 7, strike out "willfully" and insert "willfully:".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOWERING LIGHTHOUSE SERVICE RETIREMENT AGE

The Clerk called the bill (H. R. 3399) to lower the age requirements with respect to optional retirement of persons serving in the Coast Guard who served in the former lighthouse service.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AUTHORIZE EARLY COAST GUARD DISCHARGES

The Clerk called the bill (H. R. 5224) to amend title 14, United States Code, entitled "Coast Guard," to authorize certain early discharges of enlisted personnel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the analysis of chapter 11 of title 14, United States Code, is amended by inserting following and underneath item 369 in such analysis, the following item:

"370. Discharge within 3 months before expiration of enlistment."

SEC. 2. Chapter 11 of title 14, United States Code, is amended by inserting, immediately following section 369 thereof, a new section, as follows:

"§ 370. Discharge within 3 months before expiration of enlistment.

"Under regulations prescribed by the Secretary, any enlisted man may be discharged at any time within 3 months before the expiration of his term of enlistment or extended enlistment without prejudice to any right, privilege, or benefit that he would have received, except pay and allowances for the unexpired period not served, or to which he would thereafter become entitled, had he served his full term of enlistment or extended enlistment."

The bill was ordered to be engrossed and read a third time, and was read the third time.

The title was amended so as to read: "A bill to amend title 14, United States Code, entitled 'Coast Guard', to authorize certain early discharges of enlisted personnel, and preserve their rights, privileges, and benefits."

A motion to reconsider was laid on the table.

RETIREMENT OF CERTAIN OFFICERS IN COAST GUARD

The Clerk called the bill (H. R. 5875) to amend title 14, United States Code, entitled "Coast Guard," for the purpose of providing involuntary retirement of certain officers, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, I would like to inquire of the author of this bill or some member of the committee in reference to it.

Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

INCORPORATION OF ARMY AND NAVY LEGION OF VALOR

The Clerk called the bill (H. R. 3786) to authorize the incorporation of Army and Navy Legion of Valor of the United States of America.

by the Secretary of the Interior of the amount due: *Provided,* That the coal, oil, and other mineral deposits in the land shall be reserved to the United States, together with the right to prospect for, mine, and remove the same under applicable laws and regulations to be prescribed by the Secretary of the Interior: *And provided further,* That any such patent shall be revoked and shall be of no further effect in the event the Pacific Northern Timber Co. fails to construct the sawmill facilities at this site required by its contract A10fs–1283 with the United States Department of Agriculture Forest Service.

With the following committee amendments:

Page 1, line 9, strike out "Shoemaker Bay" and insert "Zimovia Strait."

Page 2, line 10, strike out "Shoemaker Bay" and insert "Zimovia Strait."

Page 2, line 18, strike out "Shoemaker Bay" and insert "Zimovia Strait."

Page 2, line 25, strike out the remainder of line 25 and all of lines 1 to line 11 on page 3, and insert the following: "The conveyance shall be made upon the payment by the said Pacific Northern Timber Co. for the land at a price to be fixed by the Secretary of the Interior through appraisal, plus the cost of survey and preparation of a plat of survey, after taking into consideration the purpose for which the land is to be used. Conveyance shall be made only if the said Pacific Northern Timber Co. makes the total payment within 1 year after notification by the Secretary of the Interior of the amount due: *Provided,* That the conveyance hereby authorized shall not include any land covered by a valid existing right initiated under the public land laws: *Provided further,* That the coal and other mineral deposits in the land shall be reserved to the United States, together with the right to prospect for, mine, and remove the same under applicable laws and regulations to be prescribed by the Secretary of the Interior: *And provided further.*"

Page 4, line 5, strike out "at" and insert "on or adjacent to."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. That concludes the call of the Private Calendar.

FEDERAL LAND BANKS

Mr. POAGE. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Calendar No. 83 on the Consent Calendar, the bill (S. 941) to amend section 13 of the Federal Farm Loan Act, as amended, to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation.

I may say, Mr. Speaker, that I have just talked to the gentleman from Massachusetts, who earlier objected to the consideration of this bill, and explained that the bill allowed the Federal land banks to pick up what remains of the assets of the Federal Farm Mortgage Corporation. These assets have gotten so low now that the cost of servicing the loans which average only about $600 each, is out of proportion to the cost of carrying them. The land banks are already servicing such loans and can do it cheaper than if this work is divided up between two operations.

Mr. McCORMACK. Mr. Speaker, I had reserved the right to object in order to ask a question, but there was no Member on the floor at the time who could give me the information, so I asked that the bill be passed over without prejudice. The gentleman from Texas has satisfied me that the bill should be passed, so I have no objection to its present consideration.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 13 of the Federal Farm Loan Act, as amended, is amended by adding at the end thereof the following new paragraph:

"Twentieth. Without regard to any limitations or restrictions of this act, to purchase all assets, except cash, accounts receivable, and reserved mineral interests, held by the Federal Farm Mortgage Corporation as a result of loans made on or before July 1, 1947, in the farm credit district in which said bank is situated and to assume the liabilities of said Corporation for future payment funds of borrowers and trust accounts applicable to said assets. The purchase price of notes and mortgages, purchase money mortgages, and real estate sales contracts shall be equal to the total of the unpaid balances on such items and accrued interest thereon at the date as of which purchase is made, less the total of the liabilities of the Corporation being assumed by the bank as herein provided. The purchase price of real estate, sheriffs' certificates, loans called for foreclosure, loans in suspense, judgments, and for any other assets eligible for purchase under this paragraph but not specifically identified herein shall be equal to the fair market value of the assets as determined by agreement. The total consideration for the purchase shall be payable over a period of not more than 10 years from the date as of which purchase is made, and upon such terms as shall be agreed upon through negotiation with the Board of Directors of the Corporation."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 64]

Abbitt	Byrne, Pa.	Evins
Albert	Canfield	Fallon
Ashley	Carrigg	Fenton
Barrett	Chiperfield	Fino
Becker	Christopher	Flood
Bennett, Fla.	Chudoff	Frelinghuysen
Bentley	Clark	Friedel
Bolton, Oliver P.	Corbett	Fulton
Bowler	Coudert	Gamble
Buchanan	Dague	Garmatz
Budge	Davis, Tenn.	Gavin
Burleson	Dingell	Gordon
Bush	Doyle	Granahan
	Eberharter	Gray
Green, Pa.	Mailliard	Reed, N. Y.
Henderson	Morgan	Roberts
Heselton	Morrison	Saylor
Hiestand	Mumma	Scherer
Hoffman, Ill.	O'Brien, N. Y.	Scott
James	O'Konski	Sieminski
Jarman	Osmers	Simpson, Pa.
Jones, Ala.	Pelly	Taylor
Jones, N. C.	Pilcher	Tollefson
Kearns	Pillion	Tuck
Kelley, Pa.	Powell	Wainwright
King, Pa.	Prouty	Walter
Latham	Quigley	Zelenko
McConnell	Radwan	
Macdonald	Reece, Tenn.	

The SPEAKER. On this rollcall 349 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDING THE ACT ESTABLISHING A COMMISSION OF FINE ARTS

Mr. THOMPSON of New Jersey. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1413) to amend the act establishing a Commission of Fine Arts.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. MARTIN. Mr. Speaker, reserving the right to object, I understand the House passed a bill covering this matter. This is a similar Senate bill that should have been offered at the time the bill was called on the Consent Calendar.

Mr. THOMPSON of New Jersey. That is right. This bill puts on a limitation that was not in the other bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the act entitled "An act establishing a Commission of Fine Arts," approved May 17, 1910 (40 U. S. C., secs. 104–106), is amended to read as follows:

"SEC. 2. That to meet the expenses made necessary by this act an expenditure of not exceeding $35,000 a year is hereby authorized."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Without objection, the action by which the House passed the bill H. R. 4534 will be vacated and the House bill laid upon the table.

There was no objection.

NATIONAL RESERVE PLAN

Mr. BROOKS of Louisiana. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5297) to provide for the strengthening of the Reserve forces, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5297, with Mr. TRIMBLE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. BROOKS of Louisiana. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, this bill is one that has been badly misunderstood by the public generally; in some instances misunderstood by the press; misunderstood by the people of the United States, and misunderstood, too, by Members of the Congress. For that reason, Mr. Chairman, I am going to ask the members of this committee if they will suffer the inconvenience of not interrupting me and not asking questions until I have had full opportunity to explain the bill. I will then be glad to yield to anyone and everyone insofar as time lasts and explain the bill as best I can.

I have a chart here to my left. I am not going to present the chart immediately. I want to take up preliminaries before explaining the chart.

Mr. Chairman, I want to say this, in the first place, that this is an administration bill. It is a bill that has the endorsement of the Defense Department, the Secretary of Defense, the Under Secretary of Defense. It has the endorsement of the Armed Forces generally, the Secretary of the Army, the Department of the Army, the Secretary of the Navy, the Department of the Navy, the Secretary of the Air Force, Department of the Air Force. It has the endorsement of the commandant of the Marine Corps and the Marine Corps itself. It is a bill that is endorsed by the White House and has the approval of the President of the United States. As far as I am concerned, I know of no one in the whole world that today has the military judgment that we can use to rely upon in writing those measures for the defense of the Nation as has the President of the United States, and I am willing to follow his judgment in that respect.

Mr. Chairman, I want to say that the hearings in connection with this bill were not rushed hearings at all. They required 8 weeks, and 8 weeks of hard work. I want to pay tribute to the subcommittee that sat with me mornings and afternoons and worked long hours, under difficult conditions and under pressure at times to thoroughly work out all of the details of the bill and satisfy themselves that the bill was the type of measure that should be submitted to the full Committee on Armed Services and should likewise be submitted to the Congress of the United States.

When I say that this measure was approved and supported by the Pentagon, I do not mean, Mr. Chairman, that your committee accepted the Pentagon version of the bill blindly. On the contrary, it did not. It scrutinized every feature and every stipulation in the bill and satisfied itself in that connection before it was prepared to submit the bill and recommendations with approval to the House of Representatives. I do not mean that we did not amend the bill, either. We did amend it. We took out features, and we added features. If I were to tell you how many amendments we added or made changes in the bill and I should say there were 127, I think that I would be most conservative in that respect. We had 115 witnesses to hear. They came from all parts of the United States and from all groups. They came from patriotic organizations, church organizations, military organizations, and every single person who asked at the time of the hearings to be heard was heard respectfully and patiently by your subcommittee. I say again I want to pay our committee members a tribute for the service that they rendered to the country and to the defense of the Nation in handling the measure as they did.

Coming to the bill itself, this measure was first mentioned in this Congress by the President in his speech of January 13, 1955. I am going to read only a short paragraph from that speech which indicates the position of the President:

> Under the new national Reserve plan, selective service, and the Reserve forces in conjunction with our Regular Establishment will fulfill our security needs with the least possible disruptive impact upon the life of the individual citizen and the civilian economy. Flexibility is a primary characteristic of the plan. Constant scrutiny and review of the operation of the services will assure its increasing efficiency.

That comes from the President's message on January 13, 1955.

The measure is in no sense a UMT plan. I have received, I suppose, hundreds of letters from all parts of the country saying we were writing a UMT bill. I think nothing is farther from the mind of the committee that wrote the bill than that we were writing a bill which would be a universal military training bill or be a side door entrance to universal military training. On the contrary, this bill has no features of universal military training.

In the first place, the bill is not adapted to universal military training. Two branches of the armed services, for instance, the Air Force and the Navy, demand long term voluntary enlistments. The fundamental feature of universal military training is a short term training program for everyone. Long-term enlistments are a demand of at least two branches of the service, the Navy and the Air Force. In my judgment they would have opposed a universal military training bill at this time for the reason that they feel it would prevent them from getting long term voluntary enlistments which they need so badly in the technical features of their work in the defense of the country.

Universal military training is a permanent program. This is a temporary program, Mr. Chairman. This program is only for 4 years. It means that we take up our military situation at this hour, we take our country down its road of destiny for 4 years. At the end of 4 years the bill cuts off. Your Congress meets and decides then whether or not it wishes to extend the bill, modify the bill, or drop the whole matter entirely. That is 4 years hence.

This bill is not universal military training for the reason that there is no compulsion of anyone for entrance into the armed services.

You say that we have the draft. The draft comes in under a separate bill, which was passed by this House several months ago. Every portion of this bill provides only for voluntary enlistments in the armed services.

You have heard it bandied around that there is a 6 months' program for men. There is a 6 months' program, but that is purely voluntary and no young man is forced under any circumstances to accept the 6 months' program of training which is presented in this bill. The armed services today still wish to rely upon the voluntary system as much as possible and this bill seeks to help them in that program as much as possible.

This bill is not universal military training, because it is not universal. Mr. Chairman, how can you have a universal military training program when it is not is not universal? This bill provides that not exceeding 250,000 young men reaching the age of 17 and not above 19 may be enlisted voluntarily for 6 months' training in the armed services of the United States. Therefore it has none of the fundamentals of universal military training. It is not permanent legislation. It is not compulsory legislation. It is not universal legislation. It is not adapted to a UMT program.

As a matter of fact, the bill presents no new obligation of a military nature to our young people in the United States. It simply seeks to work out the obligation we have had on the statute books of this country for many years.

You say, "Yes, this provides for 8 years of military obligation, but it does not provide for an 8-year program." That obligation was set up first in 1941 as a 10-year military obligation for everyone, voluntary and compulsory, who enters the armed services. In 1948 that obligation was set up as an 8-year obligation. It has been carried on the statute books of this country since then. This bill does not seek to write out an 8-year obligation or any kind of long-term obligation for the individual that enters the armed services, regardless of the way he enters it, but it merely accepts the statutes and the laws as we have had them on the books for many years. It seeks, operating under the law that you have passed and that you have kept on the books for years, to write out a program of training for these people and to give our country a far better Reserve program to back up an incomparable regular Military Establishment to meet our troubles in time of great emergency.

What are our troubles, Mr. Chairman, in the international field? I want to read you a very short statement that will give you some idea of what I think we have to contend with at the present time from the only powerful nation that may really give us trouble in the field of international affairs, and that is Soviet Russia.

The Soviet Army consists of 2,500,000 men organized into 175 divisions supported by 400,000 security—NKVD—troops and 80 east Europe satellite divisions. The Red Chinese have 2 million regular army troops and 1 million uniformed security troops.

Within the Soviet Army are 65 tank and mechanized divisions equipped with 40,000 new tanks, and 40 new airborne divisions. Other divisions have been motorized and provided heavy artillery

Public Law 55 - 84th Congress
Chapter 117 - 1st Session
S. 941

AN ACT

All 69 Stat. 81.

To amend section 13 of the Federal Farm Loan Act, as amended, to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 13 of the Federal Farm Loan Act, as amended, is amended by adding at the end thereof the following new paragraph:

Federal Farm Mortgage Corp., assets.
39 Stat. 372.
12 USC 791.

"Twentieth. Without regard to any limitations or restrictions of this Act, to purchase all assets, except cash, accounts receivable, and reserved mineral interests, held by the Federal Farm Mortgage Corporation as a result of loans made on or before July 1, 1947, in the farm credit district in which said bank is situated and to assume the liabilities of said Corporation for future payment funds of borrowers and trust accounts applicable to said assets. The purchase price of notes and mortgages, purchase money mortgages, and real estate sales contracts shall be equal to the total of the unpaid balances on such items and accrued interest thereon at the date as of which purchase is made, less the total of the liabilities of the Corporation being assumed by the bank as herein provided. The purchase price of real estate, sheriffs' certificates, loans called for foreclosure, loans in suspense, judgments, and any other assets eligible for purchase under this paragraph but not specifically identified herein shall be equal to the fair market value of the assets as determined by agreement. The total consideration for the purchase shall be payable over a period of not more than ten years from the date as of which purchase is made, and upon such terms as shall be agreed upon through negotiation with the Board of Directors of the Corporation."

Approved June 1, 1955.

GPO 55139